

Acting RA Talking Points IOGCC Annual Conference Monday – November 8, 2021

Introduction

- Good morning everyone.
- I'm glad to be here with you today.
- Let me first thank the IOGCC for inviting me to speak.
- IOGCC has always been an important organization for the kind of collaborative efforts that Region 6 values.
- The Annual Conference is a great forum where we can really engage with states and other stakeholders.
- It is also a place where we can learn and share valuable information while reaffirming our partnerships.

EPA Priorities

- Now, much has happened around the world with the pandemic in the last year. It has definitely changed the way we work at EPA.
- But I have to say, our Region has adjusted well for the most part and continues to work on our agency priorities.
- We have new priorities from a new Administration and a new EPA Administrator. These priorities include more attention to climate change and human health.
- We are focused on environmental justice as an integral part of EPA's daily work, as we implement Justice40 initiatives and consider environmental justice in all our programs.
- As many of you know, State and federal partnerships are so important to what we

do every day. And we recognize that EPA's partnerships with the states are the cornerstones of achieving our priorities and program goals.

- IOGCC has always been a great forum to engage with our partners so I am excited to be here.
- It's also an honor to share the stage with these great state leaders and partners in our region like Governor Stitt, Secretary Wagner, Chairman Christian, Deputy Secretary Leahy, Legislative Director Chambers, and Director Tryon.

Relationship with IOGCC

- A hallmark of EPA's relationship with IOGCC is the ability to partner and address goals from different perspectives that result in combined successes.
- We defined this partnership with our first Memorandum of Understanding between

EPA and IOGCC in 2002 and have reaffirmed this partnership throughout the years, with the latest MOU in 2019.

- The 2019 MOU laid out some important objectives for this partnership:
 - improving communication between the states and EPA,
 - and fostering environmental protection based on mutual understanding of each other's missions, responsibilities, and authorities.
- I also want to thank the IOGCC for continuing to work with us on the EPA-IOGCC Task Force.
- I know we are all still waiting for the task force appointments.
- This is one of my priorities, and whenever I meet with senior leadership at EPA, I stress the importance of having

these appointments to continue this critical work.

Orphaned and Abandoned Wells

- IOGCC and EPA have often worked together towards common goals. One such instance is with orphaned and abandoned wells.
- IOGCC continues to emphasize the importance of addressing orphaned and abandoned wells. This echoes our efforts to address these wells' environmental impacts.
- One the impacts is the effect on ground and surface water qualities from improperly plugged or unplugged wells.
- In areas such as New Mexico, with limited water resources, protecting such natural resources using effective partnerships is critical.

EPA's New Proposed Clean Air Act Rule (Methane)

- Another area where orphaned and abandoned wells can impact the environment is the methane emissions from these wells that contribute to climate change.
- Many of you are aware of the President's Executive Order on Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis.
- Guided by this Executive Order, last Tuesday, EPA announced the proposed methane emissions rule for the oil and gas sector that will lead to significant, cost-effective reductions in methane emissions and other harmful air pollutants.
- This proposed rule is a significant step in fighting climate change and protecting

public health under President Biden's and Administrator Regan's leadership.

- EPA engaged extensively with various stakeholders to come up with a rule that reflects the ideas and information from many different perspectives, including state and local governments, tribal nations, communities affected by oil and gas pollution, environmental and public health organizations, and representatives of the oil and natural gas industry.
- EPA will take comment on the proposed rule for 60 days after it is published in the Federal Register.
- The views of IOGCC members will be important to this process so I encourage you to submit comments.
- The Agency also will hold a virtual public hearing, and will host virtual trainings to help communities, Tribes and small

businesses learn more about the proposed rule and participating in the public comment process.

- Those trainings begin November 16, and I hope you take the opportunity to learn more.
- A second step to the proposed rule will be a supplemental proposal in 2022.
- In the supplemental proposal, EPA will be requesting comments and information to help the Agency look at opportunities to obtain additional pollution reductions, including from certain sources not covered by the proposal announced last week.
- I hope all of you will take the opportunity to engage in the comment period for the proposed rule and the supplemental proposal.

- After taking public feedback into account, EPA plans to issue a final rule before the end of 2022.
- Now, some specifics about what the proposed methane rule does. The proposed rule would result in:
 - a reduction in methane emissions by 41 million tons through 2035; and
 - Avoid 12 million tons of VOC pollution and 480,000 tons of air toxics pollution.
 - The Rule would also result in nearly \$4.5 billion dollars in net climate benefits a year, with total net benefits of \$48 to \$49 billion dollars from 2023 through 2035.
 - It would also increase the recovery of natural gas that otherwise would go to waste. This is \$690 million dollars in savings for the year 2030 alone.

- The rule achieves climate benefits through two ways:
 - First, by updating and broadening methane and VOC emission reduction requirements for new, modified, and reconstructed oil and gas sources.
 - for the first time under the Clean Air Act, this includes standards that limit emissions from additional types of sources, such as intermittent vent pneumatic controllers, associated gas, and well liquids unloading;
 - And, second, by requiring states to develop plans to limit methane emissions from hundreds of thousands of existing sources nationwide. The Rule includes presumptive standards for existing

sources to help in the planning process.

- EPA's proposal builds on the innovative technologies and proven, cost-effective solutions that major oil and gas-producing states and leading companies are already using to minimize or eliminate methane emissions.
- Some key features of the proposed rule include:
 - a comprehensive monitoring program for new and existing well sites and compressor stations;
 - a compliance option that allows owners and operators the flexibility to use advanced technology that can find major leaks more rapidly and at lower cost than ever before;
 - a zero-emissions standard for new and existing pneumatic controllers

- with a limited alternative standard for sites in Alaska;
- standards to eliminate venting of associated gas, and require capture and sale of gas where a sales line is available, at new and existing oil wells;
- proposed performance standards and presumptive standards for other new and existing sources, including storage tanks, pneumatic pumps, and compressors; and
- a requirement that states meaningfully engage with overburdened and underserved communities, among other stakeholders, in developing state plans.
- As we continue this process, we are reaching out to all stakeholders for

valuable input. Again, I hope all of you will participate in this.

Recognize New Mexico's Methane Efforts

- As we work on the proposed methane rule, a few of our states have taken the lead in addressing methane emissions through their own regulations.
- New Mexico is one of the states in the forefront of regulating methane emissions. I want to take a moment to recognize the efforts of New Mexico's leaders in leading the way on curbing methane emissions.

NM Venting and Flaring Rule

- The New Mexico Oil Conservation Commission established rules on venting and flaring of natural gas earlier this year.

- These rules prohibit venting or flaring of natural gas during drilling, completion, or production operations that are waste and emphasize a general duty to maximize the recovery of natural gas by minimizing the waste through venting and flaring.
- The new regulations also implemented performance standards as well as requirements to estimate and report gas lost to venting and flaring.

NM Proposed Ozone Precursor Rule

- I also want to recognize New Mexico's efforts to address VOCs through its proposed Ozone Precursor Rule.
- The growth in the Permian basin has increased ozone levels in Southwestern New Mexico.
- By addressing ozone, the proposed rules will also contribute to significant

reductions in methane emissions as a co-benefit.

- These New Mexico rules are great examples of forward thinking on the environmental impacts of methane emissions and play important roles in our goal of prevent more climate change.
- EPA's proposed methane rule recognizes and encourages forward thinking such as New Mexico's regulations by including emissions guidelines that have clear presumptive standards to help states in developing their plans.
- We have also included procedures for states to undertake meaningful outreach and engagement with overburdened and underserved communities during this process.

- The proposed rule also gives states a way to use their existing programs or develop new programs that are as least as effective as the presumptive standards.
- Also, eligible tribes would have the opportunity, but not the obligation, to develop plans that establish standards for existing sources on their tribal lands.
- With the proposed methane rule and state actions, we can effectively tackle the impacts of methane emissions on the environment.

Oil and Gas Flyover Enforcement

- Interestingly, the Proposed Methane Rule also encourages the use of innovative methane detection technologies.
- As New Mexico addressed methane emissions with new regulations, EPA

Region 6 is also continuing our helicopter flyover enforcement.

- We have been using helicopters equipped with Optical Gas Imaging video cameras to survey large areas of oil and gas activity since 2013 as part of our monitoring of hydrocarbon emissions.
- Partnering with state environmental regulators in Texas, New Mexico, and Oklahoma, Region 6 has deployed helicopter flyovers in the Eagle Ford Shale, the Permian Basin, the San Juan Basin, and the Anadarko Basin to identify potential noncompliance with the Clean Air Act.
- The goal of these flyovers is to identify unlit flares and leaks from tanks and equipment and then to promptly return oil and gas facilities to compliance.

- This approach allows us to monitor thousands of sources while maximizing resources.
- In just the last two flyovers in 2019 and 2020, we were able to survey over 33,000 flares, tanks, and other sources.
- By coordinating and partnering with the NMED and TCEQ, Region 6 conducted helicopter flyovers of oil and gas sites in the Permian Basin in Texas and New Mexico in 2019 and again in 2020.
- EPA identified 384 significant leaks at oil and gas sites in 2019 and 945 significant leaks in 2020.
- We concluded 29 administrative multi-facility settlements for the 2019 flyovers.
- The settlements required companies to inspect facilities, take steps to improve operations and maintenance, and in some cases, conduct engineering assessments

to determine appropriate corrective actions.

- To date, the flyover settlements in Region 6 have resulted in estimated reductions of over 29 million pounds of VOC emissions and over 440 thousand pounds of hydrogen sulfide emissions.

Conclusion

- I'll end my remarks today by restating my strong belief in the importance of continuing to work in partnership with IOGCC and its members now and in the future.
- I've always been an advocate of engaging with our state partner regulators, the regulated community, community groups, and other stakeholders.

- Our continuous engagement is invaluable as we face old and new issues in the oil and gas industry.
- One last note on engagement.
- On November 17, EPA is holding a stakeholder webinar on EPA's GHG data for natural gas and petroleum systems from the GHG Inventory and the Greenhouse Gas Reporting Program.
- The webinar will be on the GHG Inventory and the Greenhouse Gas Reporting Program data and on existing GHG Inventory methods and updates under consideration.
- Stakeholders, such as you all, are invited to present on new data and information relevant to estimating GHG emissions from natural gas systems and petroleum systems.

- This is another great opportunity for the issues important to the IOGCC to be heard.
- So, as I look out on many familiar faces today, I look forward to our continuing partnerships.
- I am glad to have had this time with you. Thank you for being here and your time.